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STATE FOR EEB/IFD/ODF (MONAHAN), SCA/A (LONDONO) AND EUR/CE  
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SUBJECT: GERMAN CIVILIAN ASSISTANCE TO AFGHANISTAN TO REACH  
260 MILLION EUROS IN 2009

Classified By: EMIN ROBERT POLLARD FOR REASONS 1.4 (B) AND (D).

11. (C) SUMMARY. Germany is one of the largest development and humanitarian aid donors to Afghanistan. The Ministry of Economic Cooperation and Development (BMZ) is providing up to 100 million euros this year, focusing mainly on longer-term energy, water, education and sustainable development projects. The Ministry of Foreign Affairs' contribution is expected to reach 110 million euros this year, with major portions devoted to training the Afghan police force, rehabilitation of the Mazar-e-Sharif airport, and reconstruction of Balkh and Feyzabad provincial hospitals. Germany will also provide 50 million euros for the Afghanistan National Army (ANA) Trust Fund. Altogether, Germany's non-military contributions to Afghanistan will total around 260 million euros in 2009. German officials believe the extent of this assistance is not well known in Washington. END SUMMARY.

GERMANY IS FOURTH LARGEST RECONSTRUCTION DONOR  
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12. (SBU) Germany's non-military contributions to Afghanistan are significant. Germany will have provided over 1.2 billion euros in support of Afghanistan's civilian reconstruction efforts between 2001 and 2010, making it the fourth largest bilateral donor to the country after the United States, UK and Japan. This cable provides a brief overview of ongoing German development assistance to Afghanistan, based on information provided by the Ministry for Economic Cooperation and Development, Ministry of Foreign Affairs and Ministry of Interior.

BMZ CONTRIBUTIONS  
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13. (C) The German Ministry for Economic Cooperation and Development (BMZ) disburses a large portion of Germany's development and humanitarian assistance, much of it via the German development implementing agency (GTZ) and various other implementing partners. In contrast to funding from the Ministry of Foreign Affairs (MFA), BMZ's assistance focuses mainly on long-term development projects, principally in the areas of energy, water, education and "sustainable economic development," according to Martin Kipping, Afghanistan Desk Officer, BMZ. For the period 2002-2009, BMZ's contribution totals 869.5 million euros:

2002:	162.1 million euros
2003:	86.6 million euros
2004:	123.2 million euros
2005:	98.8 million euros

2006: 86.7 million euros  
2007: 158 million euros  
2008: 74.1 million euros  
2009: 80 million euros

Negotiations with the Afghan government for 2009 German development assistance were completed on March 12, 2009 in Kabul. According to Kipping, BMZ will likely increase its 2009 contribution by up to an additional 20 million euros, some of which will go towards emergency humanitarian aid.

14. (SBU) Energy: BMZ's current funding in support of energy projects is 54.4 million euros. (NOTE: This figure is not linked to individual budget years.) BMZ's focus is on constructing and rehabilitating small, decentralized power plants powered by renewable energy, particularly in Kunduz, Takhar and Badakhshan provinces. BMZ also supports the reconstruction of the hydropower stations at Mahipar and Sarobi, supplying electricity to the greater Kabul area. In cooperation with five other donors, BMZ is investing in an electrical transmission line from Uzbekistan to Kabul and certain northern cities. BMZ also advises the Afghan government on energy policy.

15. (SBU) Water: BMZ has earmarked 34 million euros for projects to improve the drinking water supply in Kabul, Herat and Kunduz. It supports the construction of new water supply systems and the expansion of existing systems in the towns of Feyzabad, Imam Saheb and Balkh in northern Afghanistan. BMZ also advises the Afghan government on decentralizing and strengthening operating structures for water supply and

BERLIN 00000688 002 OF 003

sanitation.

16. (SBU) Education: BMZ's principal focus is on teacher training, which it conducts in cooperation with the Afghan Ministry of Education. BMZ is funding construction of teacher training colleges in the five of the northern provinces. In the field of primary education, BMZ provides financial and technical support for the Ministry of Education to implement its National Education Strategic Plan (NESP). BMZ also supports vocational education. Kipping was unable to provide specific figures for these programs.

17. (SBU) Sustainable Economic Development: Much of the rest of BMZ's non-emergency support is lumped under the category of "Sustainable Economic Development," currently worth around 38 million euros. German involvement in this area includes establishing the First Microfinance Bank (FMFB) and setting up the Afghan Investment Support Agency (AISA). BMZ also supported the creation of an export promotion agency. The German development implementing agency (GTZ) and the U.S. Agency for International Development (USAID) collaborated on the merger of two chambers of commerce. BMZ has also helped create legal aid departments within provincial and local governments. The German Investment and Development Society (DEG) promotes business start-ups. In the northern province of Baghlan, BMZ is funding sugar beet cultivation and the reopening of a sugar factory. (NOTE: The German Ministry of Food, Agriculture and Consumer Protection is also active in this area by, for example, delivering extension services to farmers and financing supplies of seed and other agricultural inputs.)

18. (SBU) Emergency Aid: BMZ has a certain amount of discretionary funds available for "emergency aid." In the past, it has used these funds for the construction of water projects in the northern provinces. It helped provide seed and food supply during the food crisis in 2008. The German government also created a joint BMZ-MFA-Ministry of Defense mechanism called the "Provincial Development Fund," worth about 4.3 million euros.

MFA CONTRIBUTIONS

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¶9. (C) Ministry of Foreign Affairs (MFA) funding for Afghanistan is more ad hoc and short-term than that of BMZ, according to Henrike Klau and Christian Doktor of the Afghanistan-Pakistan Special Task Force, Ministry of Foreign Affairs. MFA-funded projects are coordinated by the German Embassy in Kabul and German diplomatic representation in four provincial capitals (Kunduz, Mazar-e-Sharif, Taloqan and Feyzabad), with relevant Afghan authorities and implementing organizations. In 2001-2009, the MFA has contributed around 398.9 million euros:

2001:	8.3
2002:	43.1
2003:	37.2
2004:	34.1
2005:	35.3
2006:	34.7
2007:	35.1
2008:	80.4
2009:	90.7

Klau thought there could be additional funds of up to 19.3 million euros in 2009 for humanitarian aid over and above the 90.7 million euros, bringing the 2009 MFA total to 110 million euros. Separately, the German parliament recently approved 50 million euros in new money for the Afghanistan National Army (ANA) Trust Fund.

¶10. (SBU) Airport/Hospital Reconstruction: One of the largest MFA-funded largest infrastructure projects is the 35-million euro rehabilitation and expansion of Mazar-e-Sharif airport, which is being carried out in collaboration with the Abu Dhabi Fund for Development. The MFA is also funding the reconstruction of Balkh and Feyzabad provincial hospitals, with 10.5 million euros and 7.6 million euros respectively. (NOTE: These are multi-year figures.)

¶11. (SBU) PRT/Other Projects: In 2009, the MFA is spending around 6.7 million euros altogether on projects through its two PRTs in Kunduz and Feyzabad, its Provincial Advisory Team

BERLIN 00000688 003 OF 003

(PAT) in Taloqan, and its RC-North HQ in Mazar-e Sharif. Besides these projects, the categories receiving the most MFA funding this year are big infrastructure projects (14.8 million euros), civil society (9.4 million euros), vocational training (4.2 million euros), mine clearing (4.1 million euros), secondary education (3.83 million euros), capacity building (3.6 million euros), counter-narcotics (2.2 million euros) and culture (1.8 million euros). An example of the latter is reconstruction of the Buddhas in Bamian, on which the MFA is collaborating with the Aga Khan Foundation.

POLICE TRAINING

¶12. (SBU) After the United States, Germany is the largest contributor to civilian police training in Afghanistan, with 120 German police in the country. Seventy are involved in bilateral efforts and 50 participate in the European Union's police training mission (EUPOL). The Ministry of Interior administers the program, but the MFA provides the funding. In 2009, the MFA plans to contribute 39.7 million euros to support infrastructure, equipment and training projects. This figure includes 3.8 million euros for construction of a new border policy academy in Kabul. Germany has established police training academies in Mazar-e-Sharif, Kunduz and Kabul and is expanding an existing facility in Feyzabad. The MFA plans to make a substantial contribution in 2009 to the Law and Order Trust Fund for Afghanistan (LOTFA). In January, Germany joined the U.S.-led Focused District Development (FDD) police training program, and aims to manage FDD programs in 20 northern districts by mid-2010, requiring an additional 130 German police trainers. (NOTE: Embassy will provide more detail on Germany's civilian police training efforts septel.)

COMMENT

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¶13. (C) German officials welcome the new U.S. Afghanistan/Pakistan strategy and our commitment to a "comprehensive approach" with a strong emphasis on civilian assistance. They are, however, concerned that the extent of Germany's non-military contributions are not well known in Washington. A recent lack of success in securing meetings for high-level German officials with U.S. counterparts has contributed to this impression. The Germans are eager to share information on ongoing development projects with the United States, and would like to enhance U.S.-German cooperation. According to MFA contacts in Berlin, German officials in Afghanistan are interested in U.S. collaboration on the Mazar-e-Sharif airport and Balkh provincial hospital projects. Our willingness to cooperate on these projects could facilitate greater German engagement in Afghanistan in the future.  
Koenig